issued and appropriate penal action, apart from recovery of duty evaded, will be taken.

Total liabilities of the Government

*34. SHRI NANA DESHMUKH: Will the Minister of FINANCE be pleased to state:

(a) whether the total liabilities of Government are around six times of the current annual revenue and the interest payment constitute about one-third of the Central Government expenditure;

(b) whether out of every three rupees expended by the Central Government, one rupee comes from borrowed funds and the rising internal debt is an impediment to overall growth; and

(c) if so, what steps are being taken to reverse the situation?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): (a) The estimates for 2001-02 are as under:—'

(Rs. in Crore)

Total liabilities	13,15,949
Revenue Receipts	2,31,745
Total Expenditure	3,75,223
Interest Payment	1,12,300

(b) Out of receipt of one rupee by Government, as estimated in BE 2001-02, 27 paise come through borrowed funds.

(c) The Government has taken several expenditure management measures *viz.* zero-based budgeting, review of subsidies and their rationalisation, review of staffing norms and down sizing of the Government, reduction in administered interest rates, etc. and is making all efforts to increase tax collections *viz.* deepening of tax reforms and widening of tax base with a view to containing the revenue and fiscal deficit. Moreover, Government has introduced a Bill titled "Fiscal Responsibility and Budget Management Bill" in Lok Sabha on 21st December 2000. The Bill provides *inter alia,* for legal and institutional framework to eliminate revenue deficit,

bring down the fiscal deficit and contain the growth of public debt as proportion to GDP within a time-frame.

Abolition of Badla system of trading in stock exchanges by SEBI

***35. SHRI NAGENDRA NATH OJHA:**

SHRI V.V. RAGHAVAN:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Securities and Exchange Board of India (SEBI) has abolished the badla system of trading and replaced it with the new rolling settlement;

(b) if so, the details and objectives thereof; and

(c) in what manner the stock markets have reacted to the new system?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): (a) and (b) In order to improve institutional mechanisms and trading practices in stock markets, Government had announced that rolling settlement would be extended to 200 category 'A' stocks in Modified Carry Forward System (MCFS), Automated Lending and Borrowing Mechanism (ALBM) and Borrowing and Lending Securities Scheme (BLESS) by July, 2001. Pursuant to this announcement, SEBI had issued a circular to all stock exchanges on March 20, 2001 advising the exchanges to take necessary steps to implement the above decision. Further, the SEBI Board at its meeting held on May 14, 2001 had decided that (i) deferral products, such as ALBM/BLESS/ MCFS/Continuous Net Settlement (CNS) shall cease to be available for all scrips from July 2, 2001; (ii) in order to give the market adequate time for orderly unwinding of existing positions in the deferral products, all outstanding deferred positions in the then current settlement were required to the compulsorily liquidated by